

2001 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-SB55)

Received: 06/26/2001

Received By: jkreye

Wanted: Soon

Identical to LRB:

For: Assembly Republican Caucus

By/Representing: Hubbard

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Addl. Drafters:

Subject: Shared Revenue

Extra Copies:

Submit via email: NO

Requester's email:

Pre Topic:

ARC:.....Hubbard - AM126,

Topic:

319: Exclude LaFayette County from maximum payment provision under shared revenue program

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	jkreye 06/26/2001	wjackson 06/26/2001	rschluet 06/26/2001	_____	lrb_docadmin 06/26/2001		

FE Sent For:

<END>

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1/1	jkreye	1 Wlj 6/26					

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6-26-01

<END>

Budget Amendments 2001 - 2003

Prepared by the Assembly Republican Caucus

1775 JK

Statement of Intent This motion would exclude LaFayette County from the maximum payment provision under shared revenue.

Legislator	Freese	Amendment	126
Legislator 2		Pass or Fail	Pass
Legislator 3		Spending Cut	
Legislator 4		Withdrawn	
Staff contact	Rob Richard	Package	

Agency Shared Revenue

Summary Current law excludes Florence and Menominee Counties from the maximum payment provision because they do not contain any incorporated municipalities. As a result, the shared revenue payments to these counties equal the amounts generated as shared revenue entitlements.

This motion would extend the same exclusion from the maximum payment provision to Lafayette County, which would increase the 2001 shared revenue payment to LaFayette County by an estimated \$1,206,153.

Fiscal Impact According to LFB, excluding LaFayette County from the maximum payment provision would reduce the maximum percentage increase for shared revenue from 2.89% to 1.55% for counties.

Drafting Inst

ARC Analyst Hubbard

79.06(2)(e)

Request # 319



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

JK

April 30, 2001

TO: Representative Stephen Freese
Representative John Gard

FROM: Rick Olin, Fiscal Analyst

SUBJECT: Shared Revenue Proposal for Lafayette County

At your request, this memorandum provides information about a proposal related to Lafayette County's shared revenue payment.

Under current law, Lafayette County's shared revenue payment for 2001 is estimated at \$235,710, which is \$5,156 above the amount the County received in 2000.

Shared Revenue Component	2000 Actual	2001 Estimate	Change
Aidable Revenues	\$867,576	\$1,361,815	\$494,239
Maximum Adjustment	-716,291	-1,206,153	-489,862
Mandate Relief	63,998	63,359	-639
Utility Aid	<u>15,271</u>	<u>16,689</u>	<u>1,418</u>
Total	\$230,554	\$235,710	\$5,156

Most of Lafayette County's aid is generated under the aidable revenues component. The distribution formula for that component is based on the policy of tax base equalization and allocates aid to counties to offset variances in taxable property wealth. Entitlements are calculated using two factors: (1) per capita property wealth; and (2) net local revenue effort. The lower a county's per capita property wealth and the higher its net revenue effort, the greater is the county's aidable revenues entitlement. Per capita property wealth equals the total equalized value of all taxable property, plus the value of exempt computers, divided by the county's population. A county's net local revenue effort is 85% of the three-year average of the revenues the county raised through the property tax and related revenue sources.

The increase in Lafayette County's aidable revenues entitlement was caused primarily by a decrease in the County's per capita value from \$42,363 to \$39,945, which reflects a reduction in the County's equalized value from \$687.6 million to \$646.2 million. Although a number of factors cause year-to-year changes in equalized values, the full phase-in of use value assessments between 1999 and 2000 is the primary cause of Lafayette County's loss of tax base.

Although the aidable revenues formula responded as designed to compensate Lafayette County for its tax base loss, most of the County's gain in its aidable revenues entitlement was offset by an increase in the reduction to the County's entitlements, which occurs under the maximum payment provision. Under that provision, payment increases in excess of a "maximum percentage" are withheld, and those amounts are redistributed to counties that would otherwise experience payment decreases in excess of 5%. Through a minimum payment provision, state law guarantees each county at least 95% of the amount it received in the prior year. The maximum percentage changes each year, so that it provides sufficient aid to fund minimum payments. For 2001, payment increases are "capped" at 2.89% for counties.

Current law excludes two counties from the maximum payment provision because they do not contain any incorporated municipalities. As a result, the shared revenue payments to Florence and Menominee Counties equal the amounts generated as shared revenue entitlements. If a similar provision was extended to Lafayette County, its 2001 shared revenue payment would increase by an estimated \$1,206,153.

At least three options exist for implementing this proposal without increasing total funding for county shared revenue. Their impact relative to each county's 2001 estimated payment under current law is reflected on the table attached to this memorandum. Under each option, Lafayette County's payment would increase by \$1,206,153. Under Option 1, excluding Lafayette County from the maximum payment provision would cause a lower maximum percentage (1.55%), since the amount of funding needed for minimum payments would not change. Under Option 2, Lafayette County's increase would be funded by adjusting the minimum guarantee so that \$1,206,153 less is needed to fund minimum payments. The minimum guarantee is estimated at 92.71%, as opposed to 95% under current law. Under Option 3, Lafayette County's increase would be apportioned to the remaining 71 counties in proportion to their payments as a percent of total payments. Each county's payment would equal 99.29% of its current law estimate. A final option would be to increase the county shared revenue distribution by \$1,206,153, which would hold the other 71 counties harmless while providing additional aid to Lafayette County.

If you have any questions on this information, please let me know.

RO/sas
Attachment

Estimated 2001 County Shared Revenue Payments Under Current Law and Under Three Options Regarding the Maximum Payment Provision as it Relates to Lafayette County

<u>County</u>	<u>Current Law</u>	<u>Option 1</u>	<u>Change</u>	<u>Option 2</u>	<u>Change</u>	<u>Option 3</u>	<u>Change</u>
Adams	\$113,442	\$113,442	\$0	\$112,780	-\$662	\$113,144	-\$298
Ashland	1,288,492	1,274,178	-14,314	1,288,492	0	1,279,754	-8,738
Barron	1,952,719	1,952,719	0	1,910,464	-42,255	1,939,982	-12,737
Bayfield	157,647	157,647	0	155,553	-2,094	156,933	-714
Brown	5,484,105	5,484,105	0	5,383,428	-100,677	5,451,148	-32,957
Buffalo	860,100	854,597	-5,503	860,100	0	854,344	-5,756
Burnett	110,430	110,430	0	109,528	-902	110,038	-392
Calumet	1,119,774	1,107,556	-12,218	1,119,774	0	1,112,893	-6,881
Chippewa	3,038,075	3,038,075	0	2,992,290	-45,785	3,017,923	-20,152
Clark	2,241,351	2,214,649	-26,702	2,241,351	0	2,226,257	-15,094
Columbia	1,401,340	1,401,340	0	1,391,153	-10,187	1,392,733	-8,607
Crawford	1,045,029	1,032,396	-12,633	1,045,029	0	1,038,030	-6,999
Dane	4,791,062	4,791,062	0	4,727,118	-63,944	4,768,536	-22,526
Dodge	3,477,015	3,436,517	-40,498	3,477,015	0	3,454,550	-22,465
Door	179,385	179,385	0	178,157	-1,228	178,857	-528
Douglas	3,052,776	3,052,776	0	2,984,173	-68,603	3,032,148	-20,628
Dunn	2,742,163	2,709,205	-32,958	2,742,163	0	2,723,658	-18,505
Eau Claire	3,831,581	3,831,581	0	3,750,969	-80,612	3,806,775	-24,806
Florence	160,571	160,571	0	157,308	-3,263	159,566	-1,005
Fond du Lac	2,929,267	2,929,267	0	2,929,267	0	2,911,056	-18,211
Forest	239,315	239,315	0	234,656	-4,659	237,865	-1,450
Grant	2,601,842	2,571,863	-29,979	2,601,842	0	2,584,654	-17,188
Green	563,363	563,363	0	563,363	0	560,246	-3,117
Green Lake	208,503	208,503	0	205,685	-2,818	207,561	-942
Iowa	316,276	316,276	0	311,506	-4,770	314,641	-1,635
Iron	181,110	181,110	0	177,779	-3,331	179,993	-1,117
Jackson	1,177,379	1,163,342	-14,037	1,177,379	0	1,169,487	-7,892
Jefferson	3,067,058	3,067,058	0	3,022,904	-44,154	3,047,226	-19,832
Juneau	1,376,728	1,376,728	0	1,376,728	0	1,367,557	-9,171
Kenosha	3,827,273	3,827,273	0	3,772,707	-54,566	3,803,943	-23,330
Kewaunee	1,792,674	1,792,674	0	1,790,339	-2,335	1,780,429	-12,245
La Crosse	5,044,988	4,987,126	-57,862	5,044,988	0	5,011,930	-33,058
Lafayette	235,710	1,441,864	1,206,154	1,441,864	1,206,154	1,441,864	1,206,154
Langlade	1,077,722	1,077,722	0	1,053,937	-23,785	1,070,601	-7,121
Lincoln	1,532,416	1,532,416	0	1,499,279	-33,137	1,522,281	-10,135
Manitowoc	4,582,953	4,538,242	-44,711	4,582,953	0	4,552,586	-30,367
Marathon	6,636,158	6,636,158	0	6,497,696	-138,462	6,592,298	-43,860
Marinette	2,030,239	2,030,239	0	1,993,657	-36,582	2,016,936	-13,303
Marquette	166,286	166,286	0	163,759	-2,527	165,486	-800
Menominee	537,768	537,768	0	537,768	0	534,058	-3,710

<u>County</u>	<u>Current Law</u>	<u>Option 1</u>	<u>Change</u>	<u>Option 2</u>	<u>Change</u>	<u>Option 3</u>	<u>Change</u>
Milwaukee	\$58,520,325	\$57,817,610	-\$702,715	\$58,520,325	\$0	\$58,128,871	-\$391,454
Monroe	2,652,816	2,620,869	-31,947	2,652,816	0	2,634,958	-17,858
Oconto	959,092	959,092	0	940,739	-18,353	953,188	-5,904
Oneida	246,846	246,846	0	245,256	-1,590	246,060	-786
Outagamie	3,179,765	3,179,765	0	3,138,033	-41,732	3,161,514	-18,251
Ozaukee	669,744	669,744	0	664,338	-5,406	667,243	-2,501
Pepin	628,864	628,864	0	628,776	-88	624,575	-4,289
Pierce	1,578,386	1,578,386	0	1,544,632	-33,754	1,568,095	-10,291
Polk	892,241	892,241	0	875,610	-16,631	886,923	-5,318
Portage	2,744,964	2,713,704	-31,260	2,744,964	0	2,727,242	-17,722
Price	777,812	777,812	0	761,527	-16,285	772,712	-5,100
Racine	4,249,726	4,249,726	0	4,167,196	-82,530	4,224,655	-25,071
Richland	1,375,968	1,359,140	-16,828	1,375,968	0	1,366,637	-9,331
Rock	5,666,333	5,604,250	-62,083	5,666,333	0	5,630,071	-36,262
Rusk	1,383,328	1,383,328	0	1,353,294	-30,034	1,373,872	-9,456
Saint Croix	948,417	948,417	0	933,016	-15,401	943,314	-5,103
Sauk	1,049,487	1,049,487	0	1,030,325	-19,162	1,043,479	-6,008
Sawyer	138,948	138,948	0	137,976	-972	138,395	-553
Shawano	1,569,407	1,569,407	0	1,536,170	-33,237	1,559,289	-10,118
Sheboygan	3,810,164	3,810,164	0	3,740,794	-69,370	3,786,094	-24,070
Taylor	1,453,081	1,453,081	0	1,453,081	0	1,443,248	-9,833
Trempealeau	1,954,215	1,930,569	-23,646	1,954,215	0	1,940,997	-13,218
Vernon	1,342,025	1,329,903	-12,122	1,342,025	0	1,333,188	-8,837
Vilas	120,365	120,365	0	119,600	-765	120,057	-308
Walworth	542,200	542,200	0	538,500	-3,700	540,736	-1,464
Washburn	260,077	260,077	0	255,588	-4,489	258,637	-1,440
Washington	1,157,883	1,157,883	0	1,143,356	-14,527	1,152,826	-5,057
Waukesha	2,524,267	2,524,267	0	2,499,638	-24,629	2,516,168	-8,099
Waupaca	1,864,882	1,864,882	0	1,864,882	0	1,852,965	-11,917
Waushara	194,423	194,423	0	192,260	-2,163	193,625	-798
Winnebago	4,146,011	4,111,872	-34,139	4,146,011	0	4,120,744	-25,267
Wood	<u>3,971,455</u>	<u>3,971,455</u>	<u>0</u>	<u>3,971,455</u>	<u>0</u>	<u>3,945,256</u>	<u>-26,199</u>
State Total	\$189,745,600	\$189,745,600	\$0	\$189,745,600	\$0	\$189,745,600	\$0



LPS: Please fix request sheet

WJ
RMR

ARC:.....Hubbard – AM126, 319: Exclude LaFayette County from maximum payment provision under shared revenue program

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION
CAUCUS ASSEMBLY AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 2001 SENATE BILL 55

6-26-01
m

substitute amendment

1 At the locations indicated, amend the bill as follows:

2 1. Page 854, line 3: after that line insert:

3 "SECTION 2287. 79.06 (2) (b) of the statutes is amended to read:

4 79.06 (2) (b) If the payments to a municipality or county, ^{plain} except any county in
5 which there are no cities or villages, or any county incorporated in ^{the year} 1846 ^{STET} with a
6 population in ^{the year} 1990 greater than 16,000, ^{but less than 17,000} as determined by the 1990 federal decennial
7 census in any year exceed its combined payments under this section and s. 79.03,
8 excluding payments under s. 79.03 (3c), in the previous year by more than the
9 maximum allowable increase, the excess shall be withheld to fund minimum
10 payments in that year under sub. (1) (c)."



State of Wisconsin
2001 - 2002 LEGISLATURE

LRBb1775/1
JK:wlj:rs

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6 a population in the year 1990 greater than 16,000 but less than 17,000, as

7 determined by the 1990 federal decennial census, in any year exceed its combined

8 payments under this section and s. 79.03, excluding payments under s. 79.03 (3c),

9 in the previous year by more than the maximum allowable increase, the excess shall

10 be withheld to fund minimum payments in that year under sub. (1) (c).”

